

**CITY OF CHULA VISTA
MINUTES
HOUSING ADVISORY COMMISSION**

**Wednesday, August 29, 2012
3:30 P.M.**

**CITY HALL NORTH BUILDING 300
276 FOURTH AVENUE, CONFERENCE ROOM #B111**

CALL TO ORDER/ROLL CALL – 3:40 P.M.

PRESENT: Marshall "Dawes" Hamilt, Mark Minas, Sergio Quero, Mauricio Torre, Lillian Uy

ABSENT: Armida Martin Del Campo (unexcused)

STAFF: Mandy Mills, Housing Manager
Leilani Hines, Principal Project Coordinator

1. APPROVAL OF MINUTES

❖ 1/25/12 - Member Minas motioned to approve the minutes from the meeting of 1/25/12. Member Quero second the motion and all members agreed 3-0-2, with members Hamilt and Uy abstaining since they were not on the commission at time of meeting.

2. ELECTION OF NEW CHAIR AND VICE CHAIR FOR FISCAL YEAR 2012/2013

Member Torre motioned to elect Member Minas as Chair for the fiscal year. Member Quero second the motion and all members agreed 5-0. Member Minas motioned to elect Member Quero as Vice Chair for the fiscal year. Member Torre second the motion and all members agreed 5-0.

3. CONGREGATIONAL TOWER BOND FINANCING

Staff Mills provided an overview of the proposed rehabilitation and financing of the property as summarized in the staff report, Exhibit 1.

Vice Chair Quero made a motion to recommend that the Housing Authority approve the financing of the Congregational Tower project. Chair Minas seconded the motion. All members (5-0) agreed to the recommended action.

4. 2013-2020 HOUSING ELEMENT UPDATE

Staff Hines provided a presentation regarding the public outreach process and comments received on priorities, reference Exhibit 2. Based on public input and housing needs of the community, Staff Hines presented three goals and focus areas for the 2013-2020 Housing Element cycle as: 1) Maintain & Enhance Housing & Neighborhoods; 2) Fund & Implement Services for Vital Community Resources, Balanced & Diverse Housing Opportunities; and 3) Support Housing Opportunities that meet the City's Diverse Needs, Government Role & Process.

Members were supportive of programs related to the goals and focus areas presented.

5. BALANCED COMMUNITIES AFFORDABLE HOUSING ("INCLUSIONARY") POLICY

Staff Mills provided a presentation on proposed guidelines to the Inclusionary Policy, reference Exhibit 3. The guidelines would specifically provide consistency in interpretation of the Policy and allow flexibility to meet the goals of the Policy with market changes. Specifically the Guidelines would identify and exempt areas of high concentrations of low income housing from the requirement and identify areas that would require further information before determining the requirement.

Mobilehome Rent Review Commission

Minutes

Page 2 of 2

Vice Chair Quero made a motion to recommend that Council approve the implementing guidelines to the Inclusionary Policy specifically the changes to allow flexibility to meet the balanced communities' goal. Member Hamilt seconded the motion. All members (5-0) agreed to the recommended action.

6. STAFF COMMENTS

- ❖ Density Bonus Ordinance – Staff provided an overview of State Density Bonus Law and staff's efforts to adopt an ordinance locally to meet legal requirements.

7. MEMBER'S COMMENTS

No Member comments.

8. PUBLIC COMMUNICATIONS

None.

9. ADJOURNMENT – Meeting was adjourned at 5:20 p.m. to the next regular meeting of October 24, 2012.

Recorder, Leilani Hines

Exhibit 1 – Congregational Tower Staff Report
Exhibit 2 – 2013-2020 Housing Element Presentation
Exhibit 3 – Inclusionary Policy Presentation

The City of Chula Vista Community Development Department
A REPORT TO THE
HOUSING ADVISORY COMMISSION

Item No. 4

Staff: Amanda Mills
Housing Manager

DATE: AUGUST 29, 2012

SUBJECT: CONGREGATIONAL TOWER APARTMENTS - RECOMMENDATION OF APPROVAL TO THE HOUSING AUTHORITY TO CONDITIONALLY APPROVE A TAX EXEMPT BOND OF UP TO \$21 MILLION FOR THE FINANCING OF THE REHABILITATION OF EXISTING AFFORDABLE UNITS AT CONGREGATIONAL TOWERS APARTMENTS (288 F STREET)

I. RECOMMENDATION

That the Housing Advisory Commission recommend APPROVAL to the Housing Authority to conditionally approve a tax exempt bond not to exceed \$21 million for the financing of the rehabilitation of existing affordable senior housing units at Congregational Towers Apartments.

II. BACKGROUND

The City of Chula Vista has received a request from Retirement Housing Foundation ("Applicant") to consider the issuance of tax exempt obligations to finance the rehabilitation of 186 existing affordable units at the Congregational Towers Apartments (the "Project"). The Congregational Towers Apartments are located at 288 F Street in northwest Chula Vista. The rehabilitation will improve the property and extend the term of the affordable rents.

The Applicant is preparing an application for an allocation of tax credits and tax-exempt private activity bonds for multi-family projects from the California Debt Limit Allocation Committee (CDLAC) and is requesting that the Housing Authority of the City of Chula Vista be the conduit bond issuer for an aggregate amount not to exceed \$21 million. The application must be submitted by September 14, 2012. The bond allocation and tax credit contributions will be used to substantially finance the Project.

III. PROJECT DESCRIPTION

The Applicant

Community Congregational Development Corporation (a development corporation created by the Congregational Church) currently owns and operates the Congregational Towers Apartment project located at 288 F Street. Retirement Housing Foundation, a nonprofit service agency organized under section 501(c)(3) of the Internal Revenue Service Code, is proposing to create a new partnership with

August 29, 2012

Congregational Towers Apartments

Page 2

Community Congregational Development Corporation. The new partnership will be named Congregational Tower Partners, LP. The current property owner has successfully operated the property for 39 years. The new partner, Retirement Housing Foundation, operates 161 communities across the United States in 29 states, the Virgin Islands and Puerto Rico, and has created over 16,000 units of affordable rental housing.

The Property

The project is an existing 186 unit affordable complex originally financed through the Department of Housing and Urban Development (HUD). After the renovations the community will include a new, larger community room, rooms for arts and crafts, central laundry, outside garden patio area, and a computer lab for all residents.

The Proposal

The project is thirty-nine years old and in need of rehabilitation to ensure continued long term use and viability. To take advantage of tax credits, the existing owner, Community Congregational Development Corporation, will sell the project to a new partnership named Congregational Tower Partners, LP, a California limited partnership that will acquire and rehabilitate the property using bond financing and tax credits. The new partnership, Congregational Towers Partners, LP, consists of Retirement Housing Foundation, Community Congregational Development Corporation and a tax credit equity investor as the Limited Partner to be determined later.

The scope of the proposed renovation includes full apartment interior renovations, new roof, mechanical systems, electrical system, plumbing system, and other exterior finishes. The main floor will have an increase of approximately 2,000 square feet to include a lounge/library, adjoining recreational/media room, and additional bathrooms. Improvements will also be made to the parking lot and landscaping.

Income and Rent Restrictions

For the bond funding, Section 142 (d) of the Internal Revenue Services Code requires either a minimum of 20 percent of the rental units in the Project to be available for occupancy by persons or families whose income does not exceed 50 percent of the area median income (AMI) for the San Diego Primary Metropolitan Statistical Area, or alternatively, at least 40 percent of the rental units are required to be available for occupancy by persons or families whose income does not exceed 60 percent of the AMI. In each case, the units are to be made available at affordable rents established by the applicable State law.

A total of 38 units must be affordable for very low income households at 50 percent of AMI, or at least 75 units for low income households at 60 percent of AMI. Congregational Towers Apartments will continue to operate the entire project as an affordable project, with 184 units affordable to lower income households (2 units are managers' units). The bond regulatory agreement will restrict 184 units for low income households at 60 percent of AMI. The bond restricted rents will be based upon HUD income limits established for the year.

August 29, 2012

Congregational Towers Apartments

Page 3

The Project also has an existing Section 8 financing contract with HUD. This allows the tenants to pay only 30% of their income, with HUD paying the remaining portion of the rent. The applicant has applied for a Section 8 rent increase based on post rehabilitation market rent which will increase the Studio rent to \$1,200 and the One Bedroom to \$1,375. The request will not increase the amount currently paid by the tenants.

Unit Description	No. of Units	Target Income Level	Maximum Rent	Tenant Pays
0 Bd/1 Ba	124	60% AMI	\$844	30% of their income
1 Bd/1 Ba	60	60% AMI	\$904	30% of their income
1 Bd/1 Ba	1	Manager	-	-
2 Bd/1 Ba	1	Manager	-	-
Total Restricted	186			

The Project proposes to maintain the income and rent restrictions for Congregational Towers for a period not less than fifty-five years, exceeding the 30-year term of the bonds. The income and rent restrictions outlined above are to be incorporated into the Regulatory Agreement for the bonds, which will be recorded against the property.

Compliance with the income and rent restrictions will be subject annually to a regulatory audit and annual tax credit certification. Compliance with strict property management policies and procedures will ensure that income and rent restrictions will be maintained for the full 55-year compliance period.

IV. FINANCIAL ASSISTANCE

Form of Assistance

The Property Owner will be using Tax Exempt Multi-Family Revenue Bonds and Low Income Housing Tax Credit financing to support the majority of the estimated \$39.9 million cost of the Project. Retirement Housing Foundation has requested the Housing Authority consider the issuance of \$20.9 million in unrated tax exempt bonds. The tax exempt bonds will be acquired by Citi Bank under a private placement structure and Citi will then provide a construction and permanent loan. Retirement Housing Foundation will also apply for approximately \$11 million in Low Income Housing Tax Credits. The permanent Bonds and Tax Credits would cover almost 80 percent of the estimated cost. The balance is expected to be provided by seller financing. HUD will allow the financing and provide a 20 year Section 8 contract for the property.

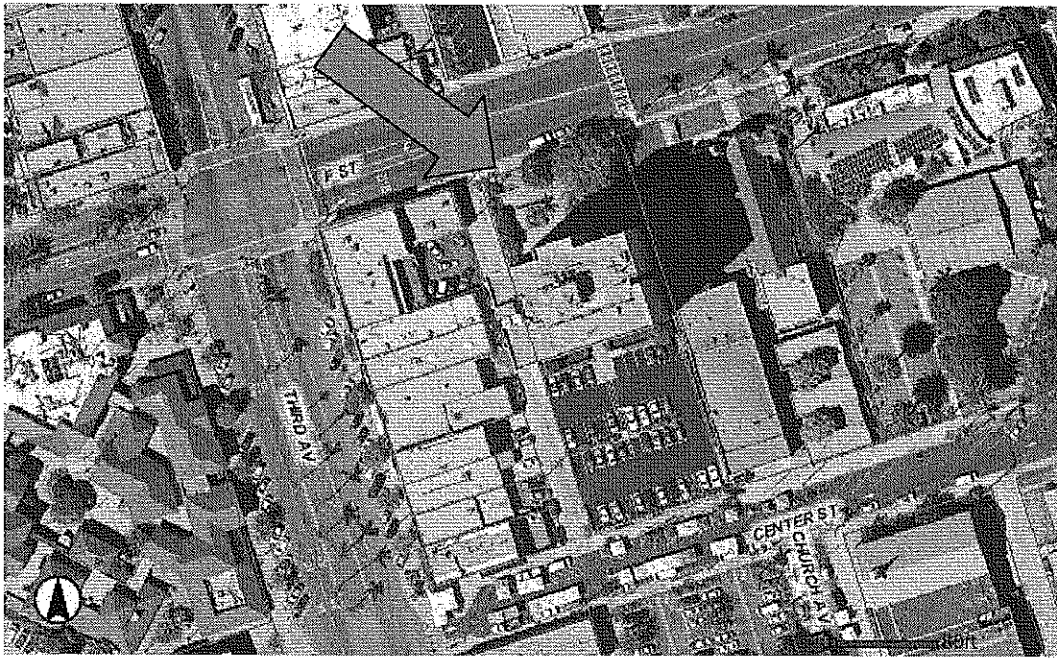
V. Attachments

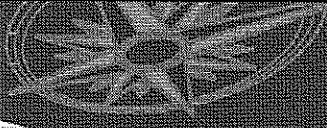
1. Locator Map

Prepared by: Amanda Mills, Housing Manager, Development Services Department, Housing Division

ATTACHMENT 1

LOCATOR MAP
CONGREGATIONAL TOWERS APARTMENTS
288 F STREET







2013-2020
Housing Element Update

Chula Vista Housing Element


"...Decent housing and suitable living environment for every California family."

Housing Commission
August 29, 2012




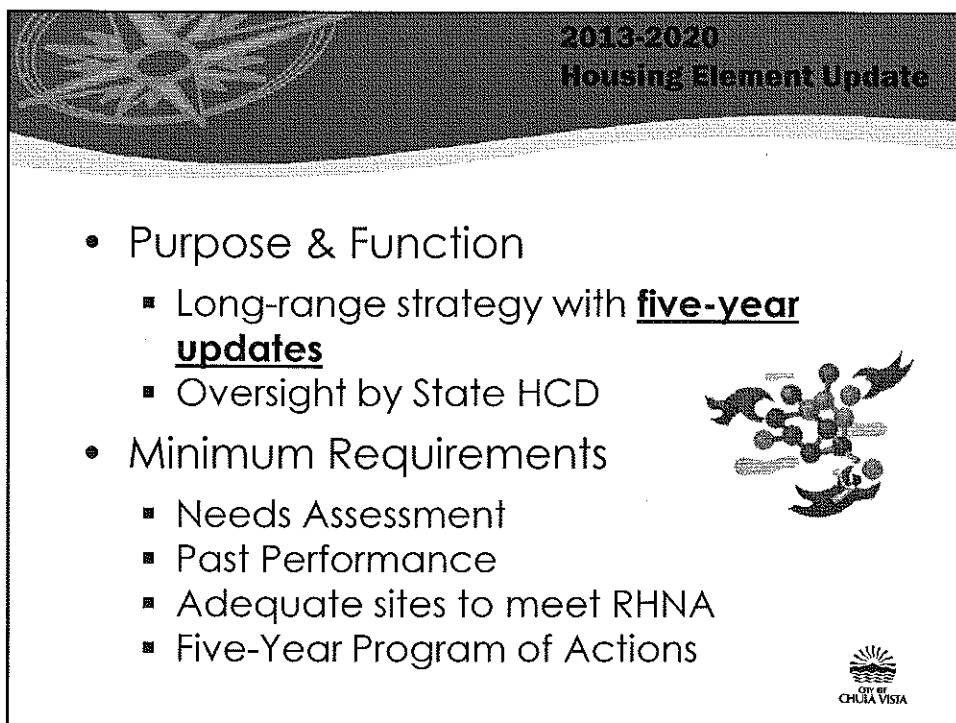
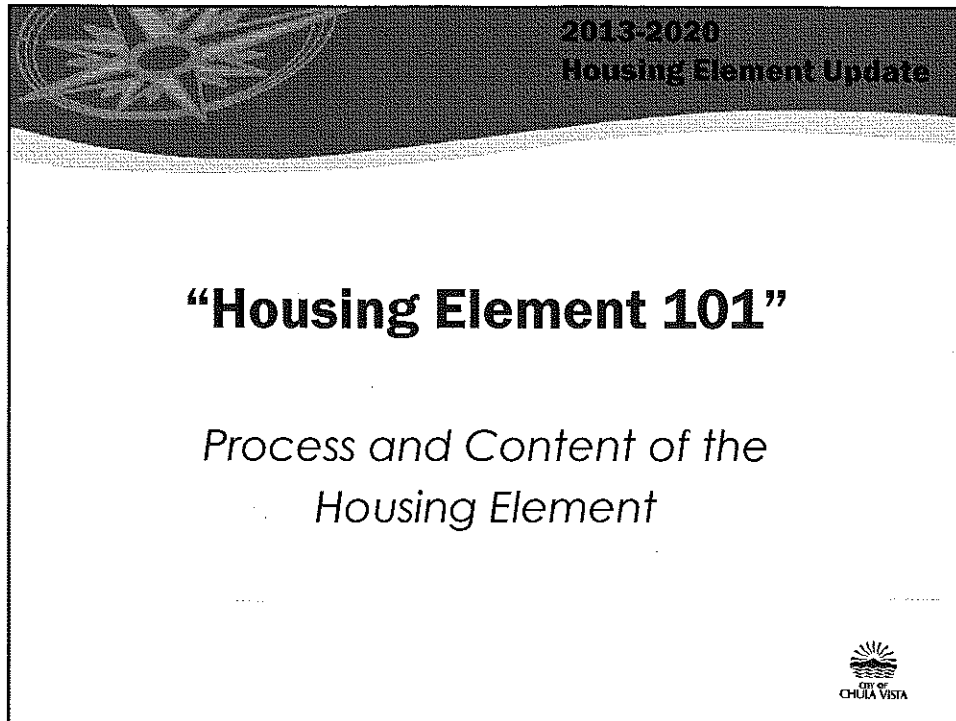
2013-2020
Housing Element Update

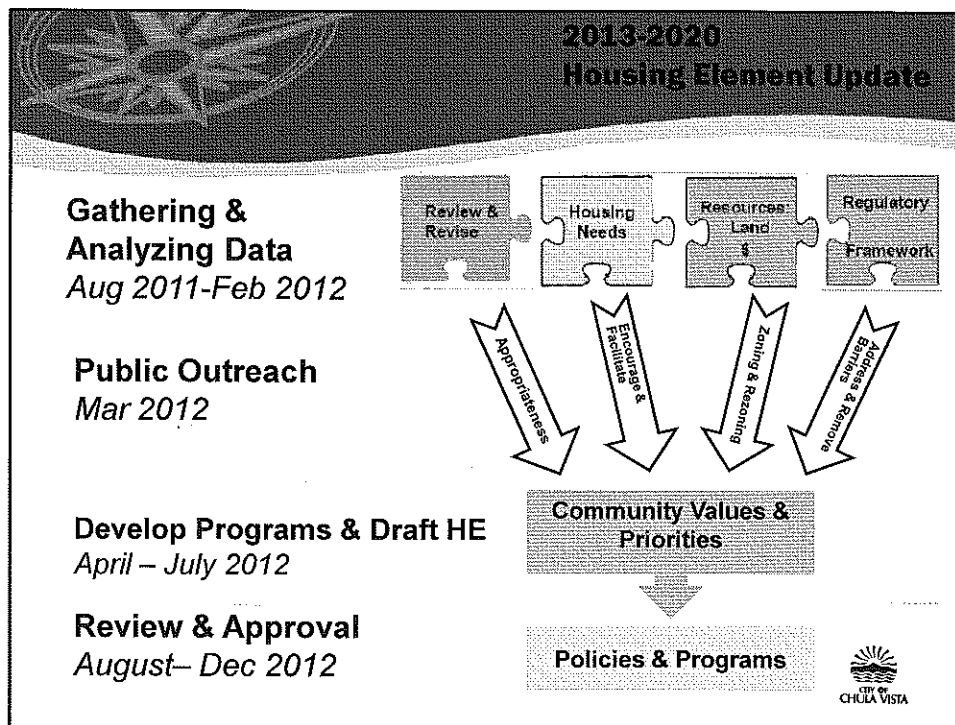
Tonight's Agenda




- Overview of Housing Element
 - ✓ Purpose
 - ✓ Requirements
- Update Process
 - ✓ Data & Community Input
- 2013-2020 Update Housing Element
 - ✓ Goals, Objectives, Policies, and Programs
- Next Steps









2013-2020 Housing Element Update		
Regional Housing Needs Assessment 2010-2020		
Income Category	Income Range	Chula Vista Regional Share
Very-low Income	< 50% MFI (<\$40,150 Family of 4)	3,181 (28%)
Low-income	51% - 80% MFI (<\$64,250 Family of 4)	2,312 (20%)
Moderate-income	81% - 120% MFI (<\$91,100 Family of 4)	2,220 (20%)
Above-moderate income	120% MFI (>\$91,100 Family of 4)	3,602 (32%)
TOTAL		12,861 (8% of region)
<small>(1) Income limits established by State of California HCD. 2012 HUD4-person MFI for San Diego MSA: \$75,900 Source: SANDAG and Fiscal Year 2012 HUD Income Limits</small>		

2013-2020 Housing Element Update	
<h2>Data Analysis</h2> <p>"Crunching the Numbers"</p>	
	



2013-2020
Housing Element Update





Key Data Findings

Overall

- 40% increase in City population
- Ethnically diverse
- Housing affordability gaps
- Lack of large family rental units (3+ bdrms)

Differences from West to East


- Income levels
- Rental vs. Homeownership
- Type and age of housing



2013-2020
Housing Element Update

Public Input & Participation



"Who we talked to and what we heard"




**2013-2020
Housing Element Update**

Workshops

- Stakeholders Group
- General Public
- City staff
- Housing Advisory Commission

**2013-2020
Housing Element Update**



What We Heard

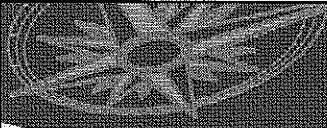
General Needs

- Affordable Housing is lacking
- Families are struggling


Priority Populations

- Economically vulnerable
- Extremely low and very low income households
- Homeless, particularly families
- Seniors







2013-2020
Housing Element Update



What We Heard


- Creative & Alternatives
- Preserve what we have & opportunities to reuse & enhance existing
- Geographic balance
- Purpose & responsibility
- Reduce barriers
 - Parking
 - Fees

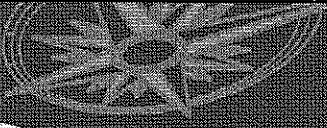


2013-2020
Housing Element Update

“Focus for the Future”

Leveraging Resources & Greater Benefits



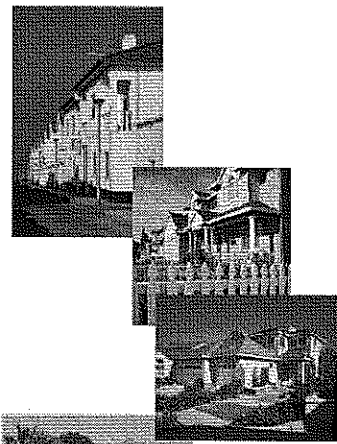




**2013-2020
Housing Element Update**

KEY ISSUES


- Existing opportunities and resources available and new collaborations to leverage resources
- Housing with purpose
 - Economically vulnerable
 - Balance of housing
 - Economic benefits to residents and community

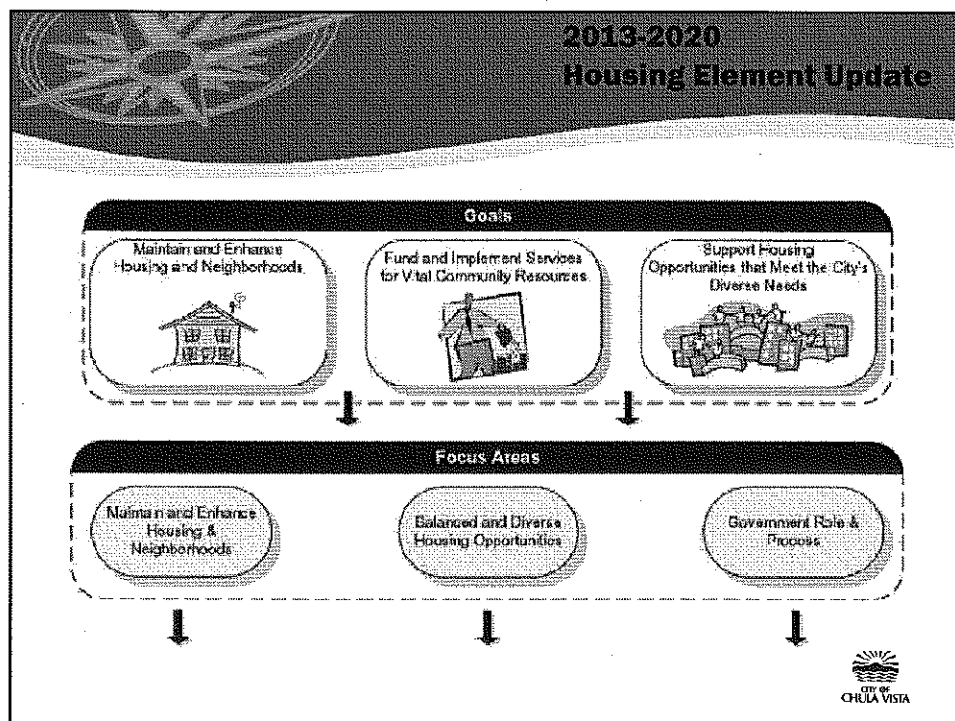
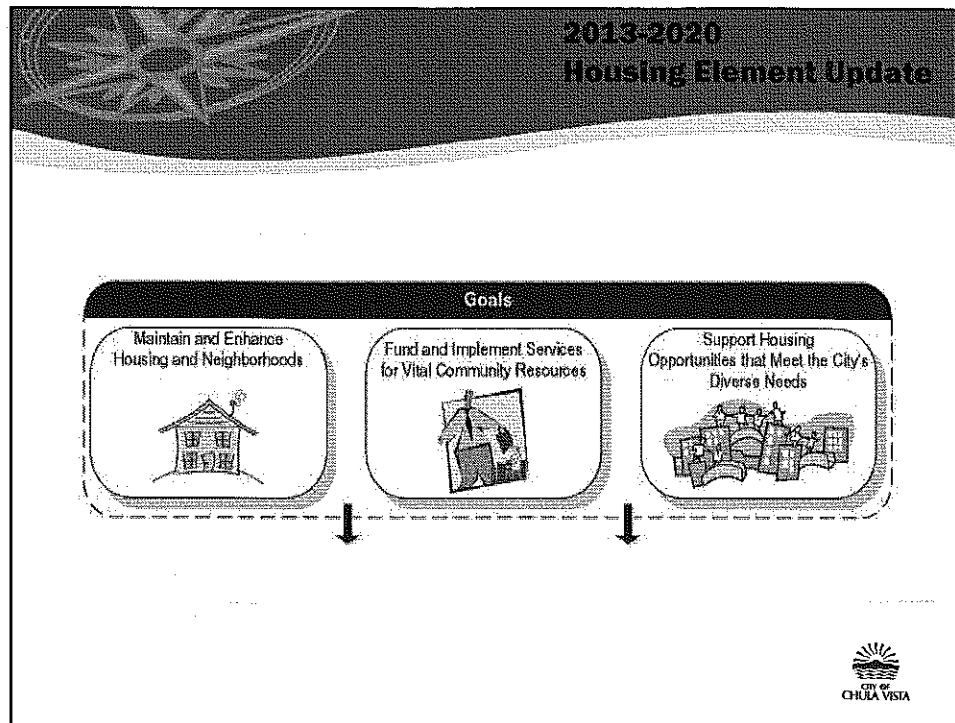


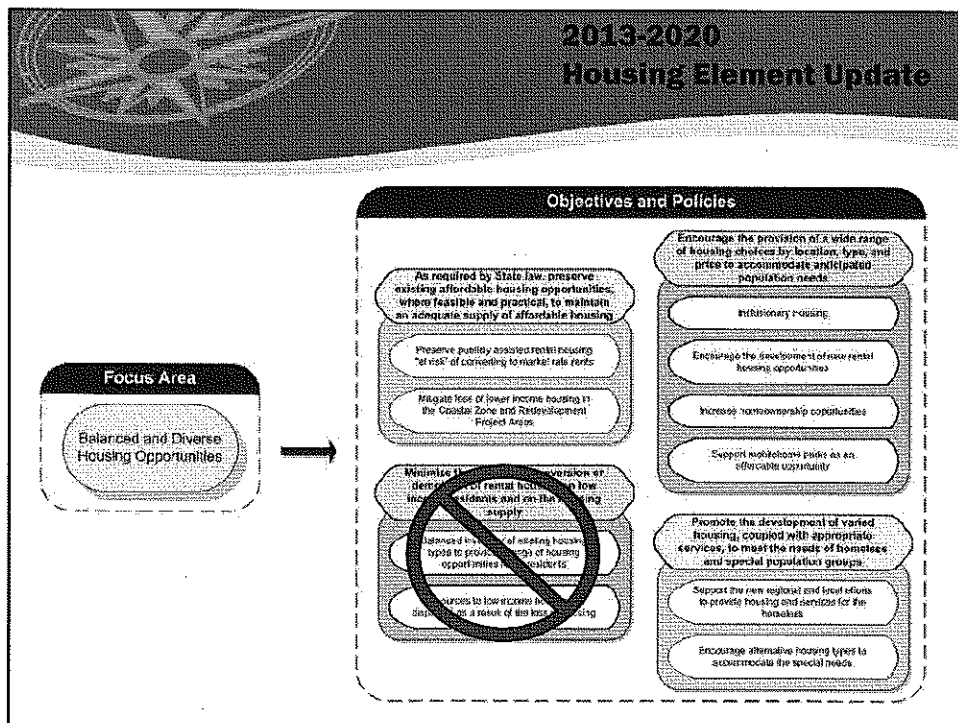
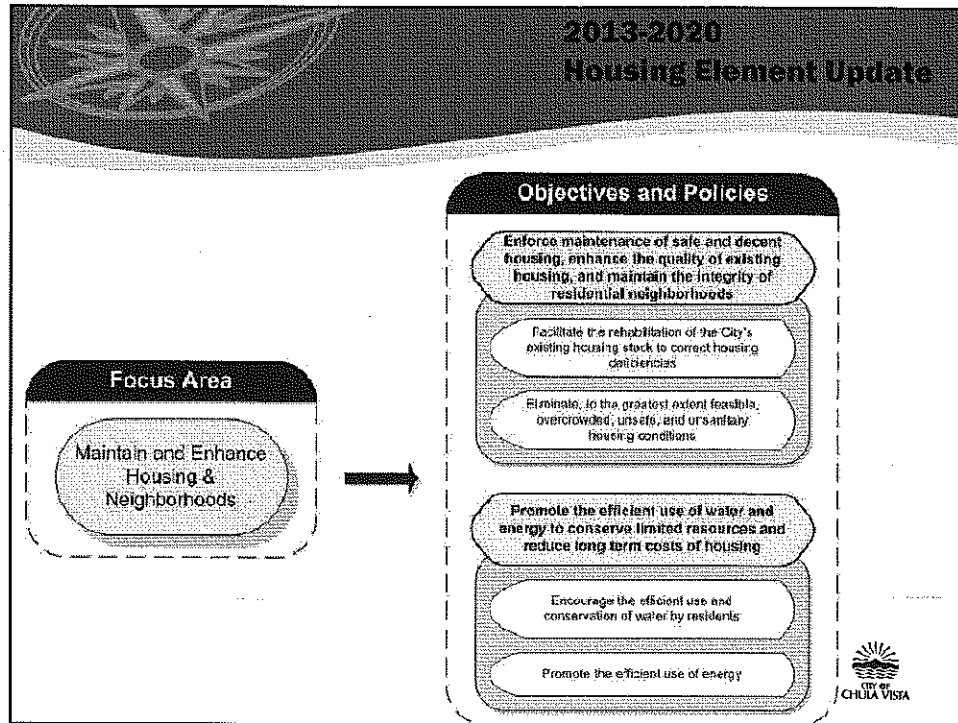
**2013-2020
Housing Element Update**

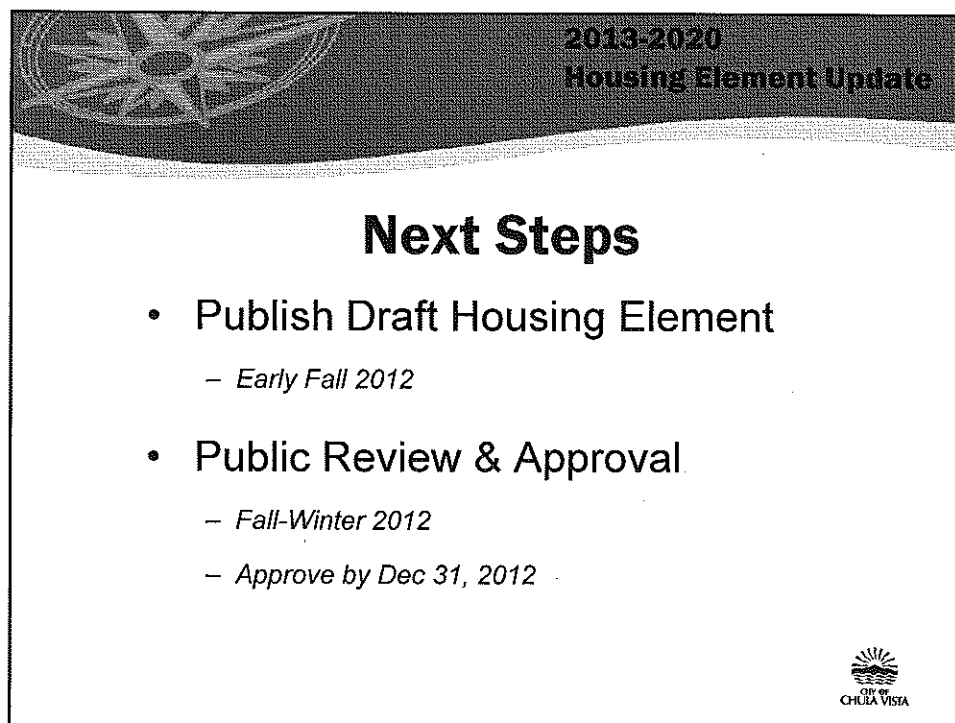
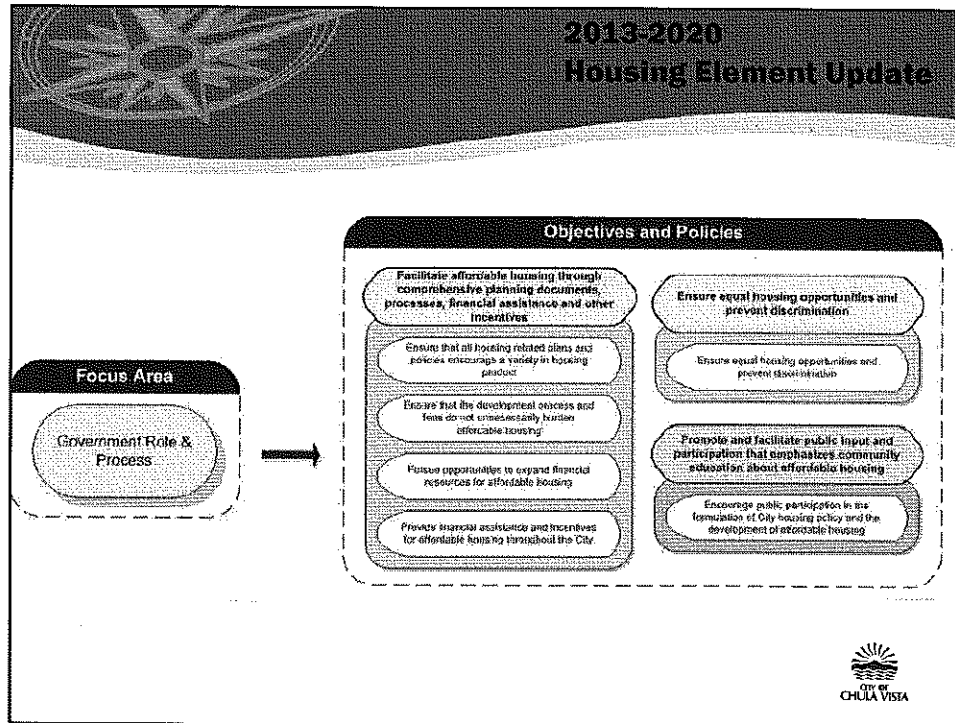
**2013-2020
Implementation Plan**

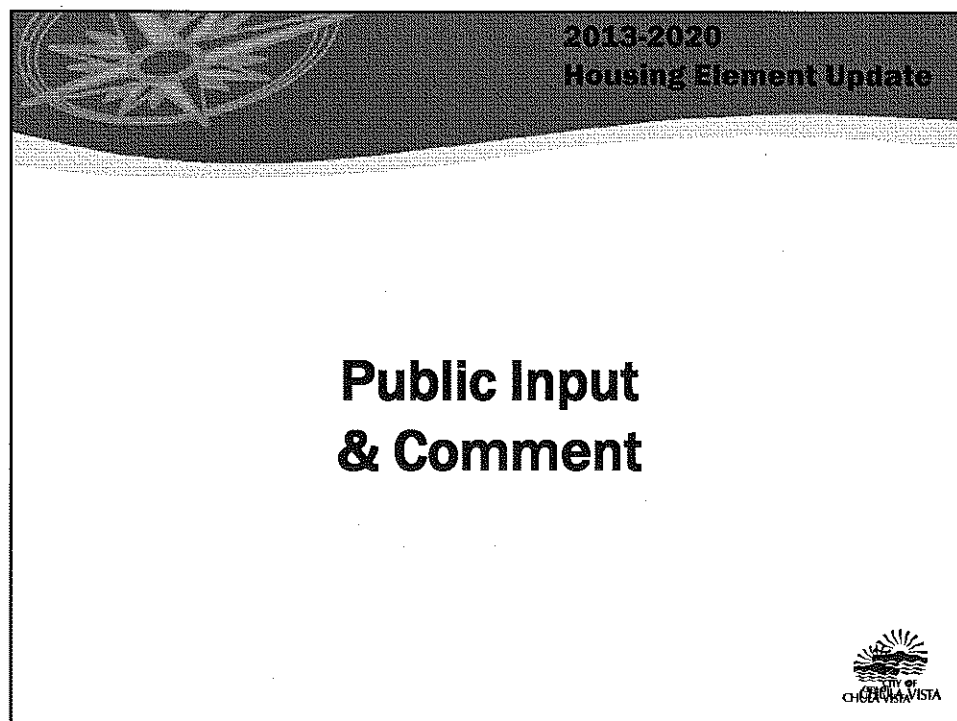
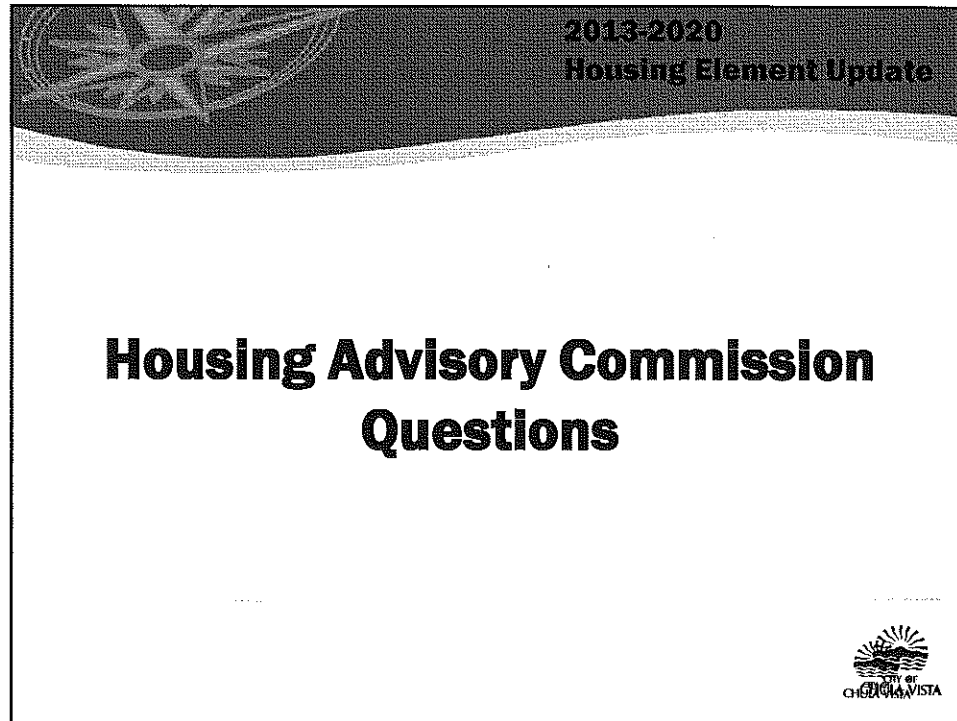
"How we plan to get there"

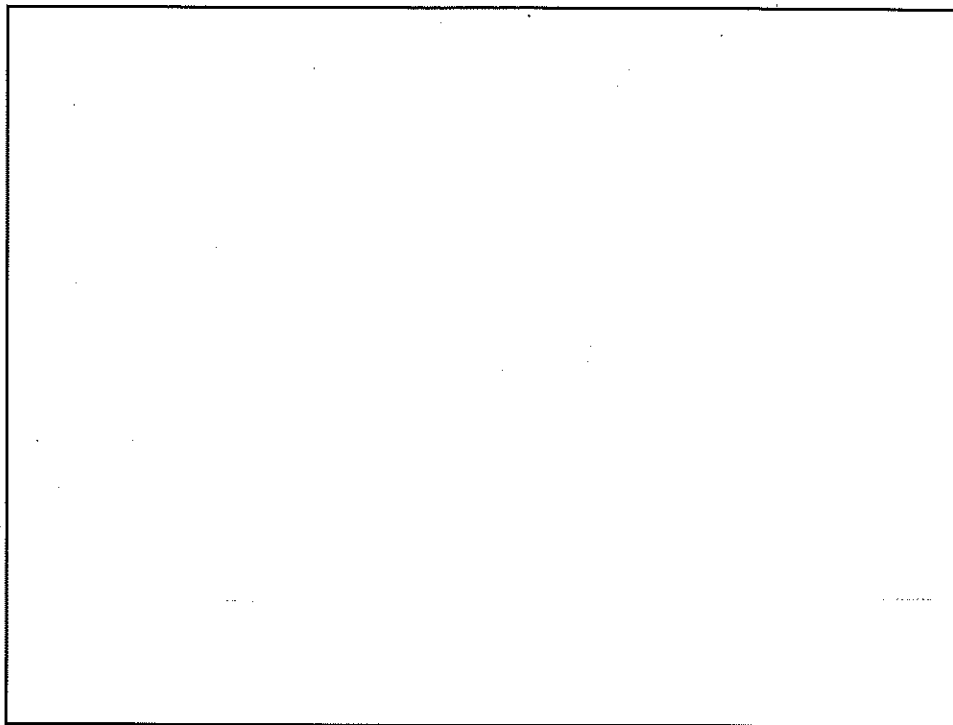



















*Development Services
Department*

Balanced Communities Policy

Inclusionary Housing

Housing Advisory Commission
August 29, 2012

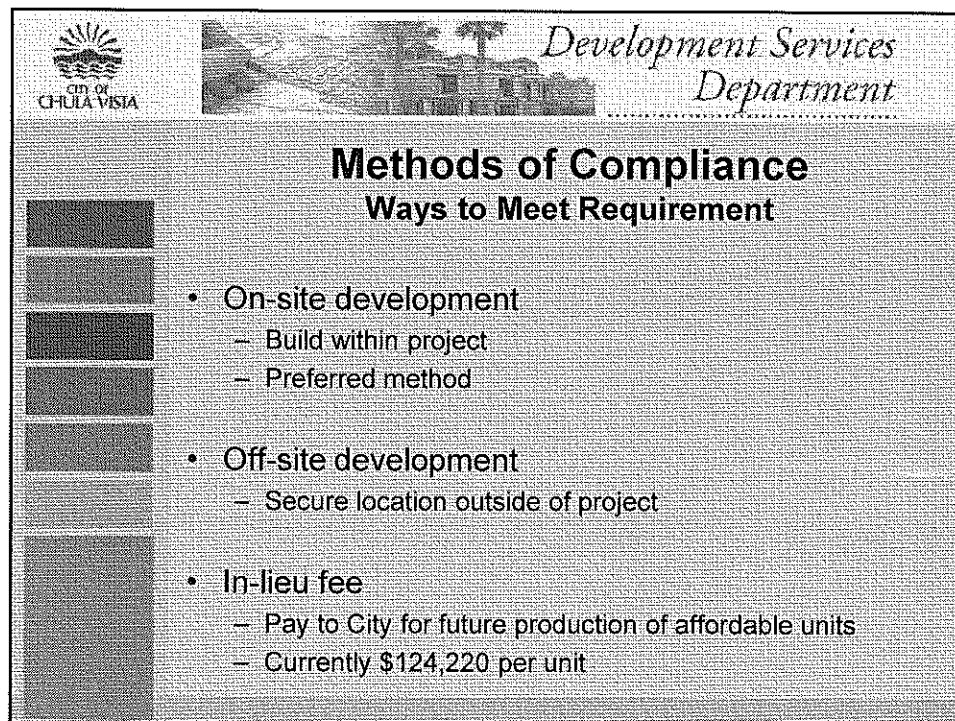
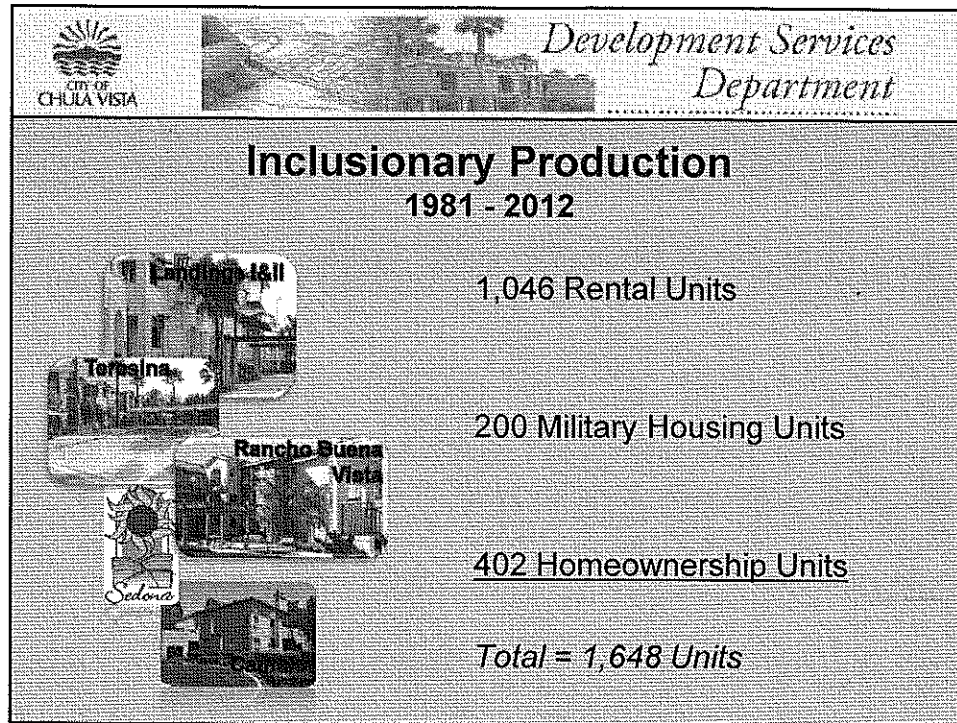



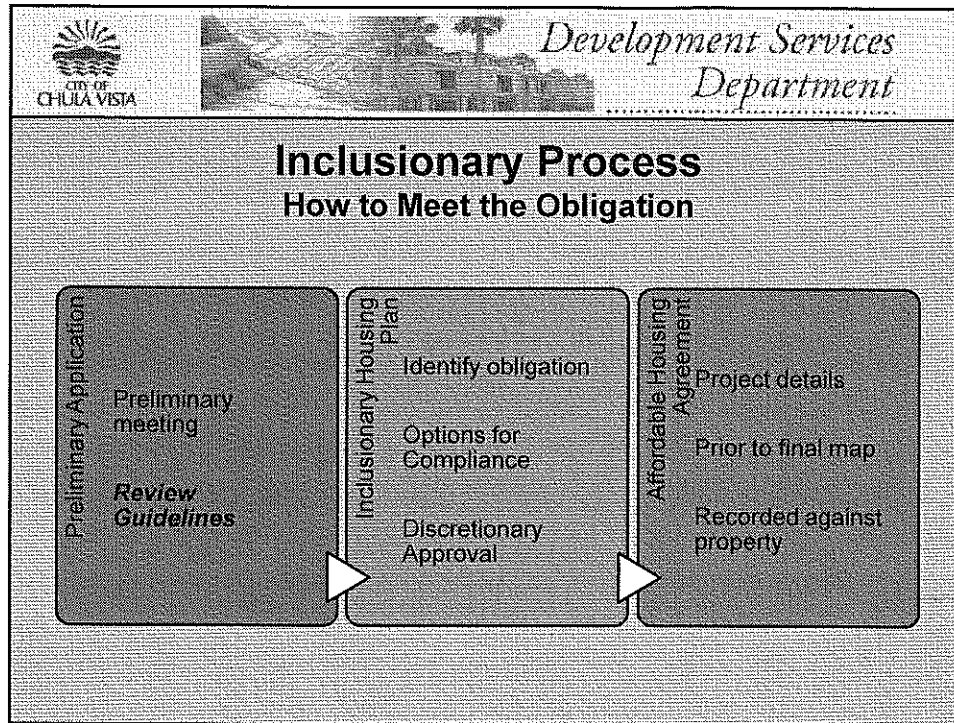
*Development Services
Department*

Housing Element Policy

Adopted 1981

- **Goal**
 - Increase *diversity* of *housing* prices/rents
 - *Balance* throughout community
 - Ensure over time
- **Requirement**
 - All residential development 50 units or more
 - 10% affordable to low & moderate income



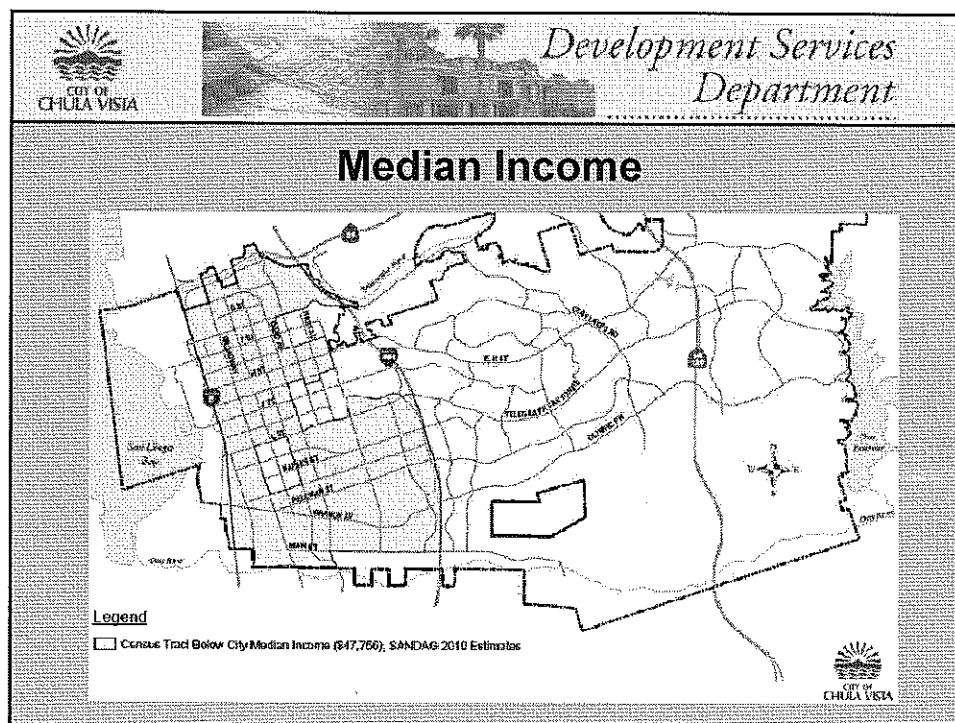
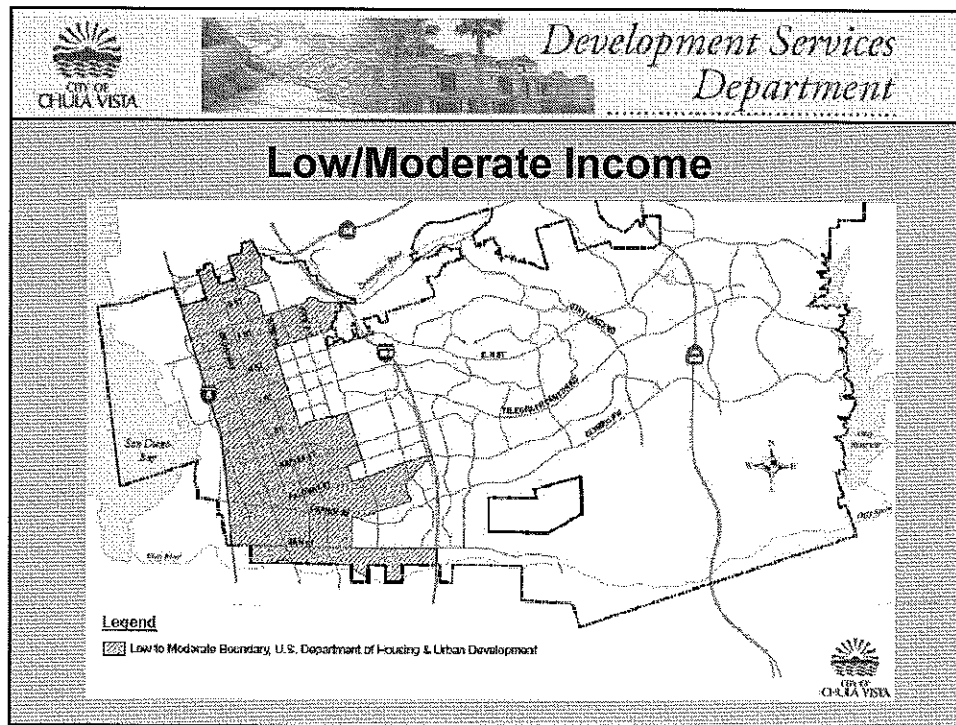


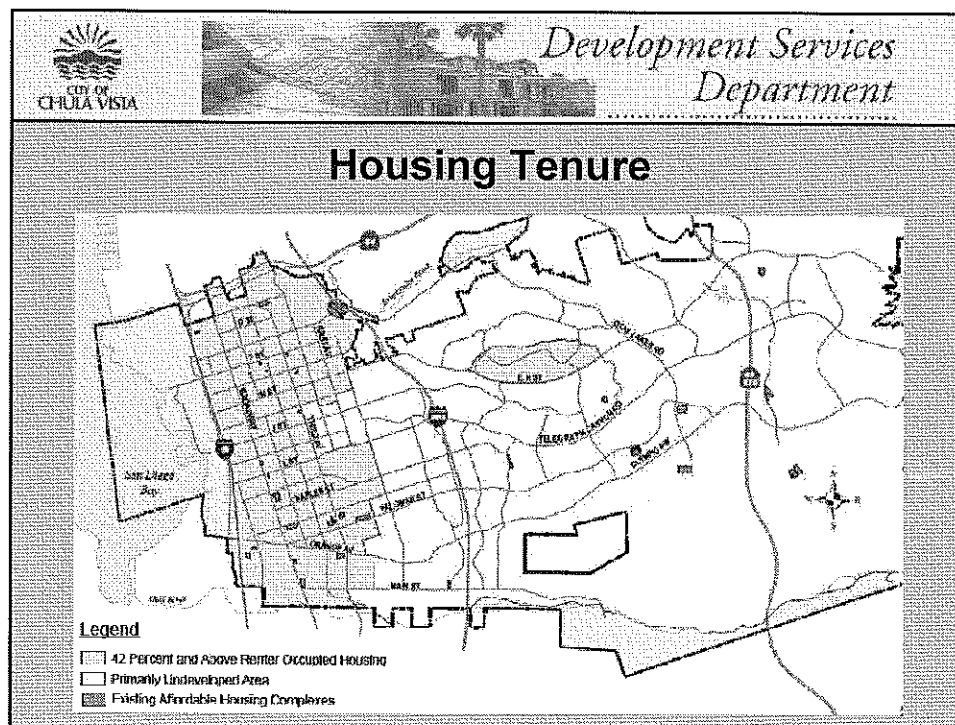
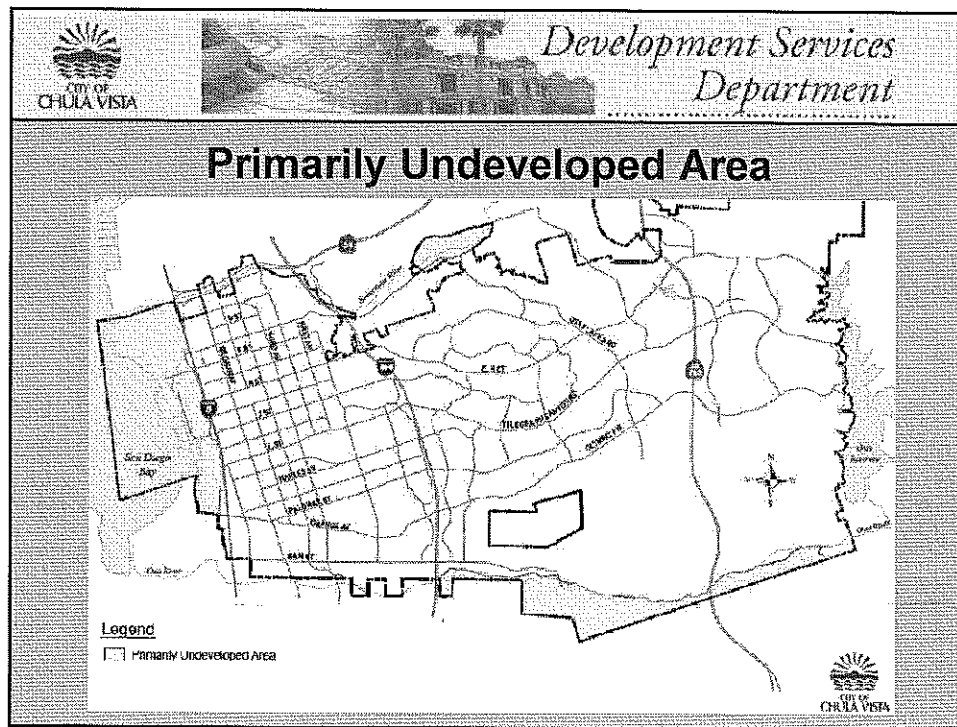
City of Chula Vista *Development Services Department*

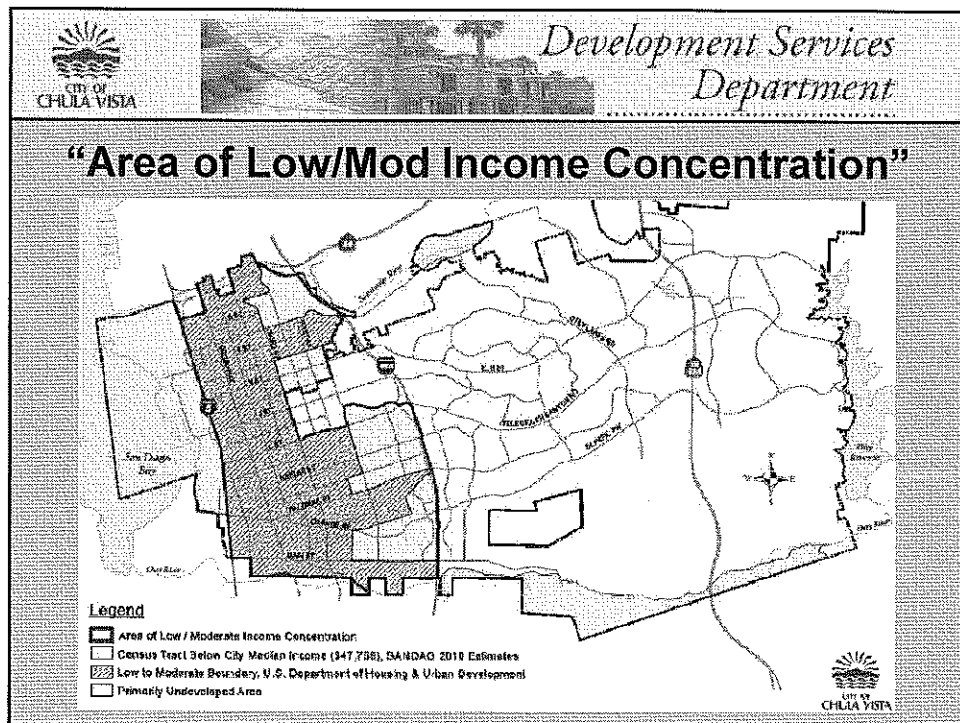
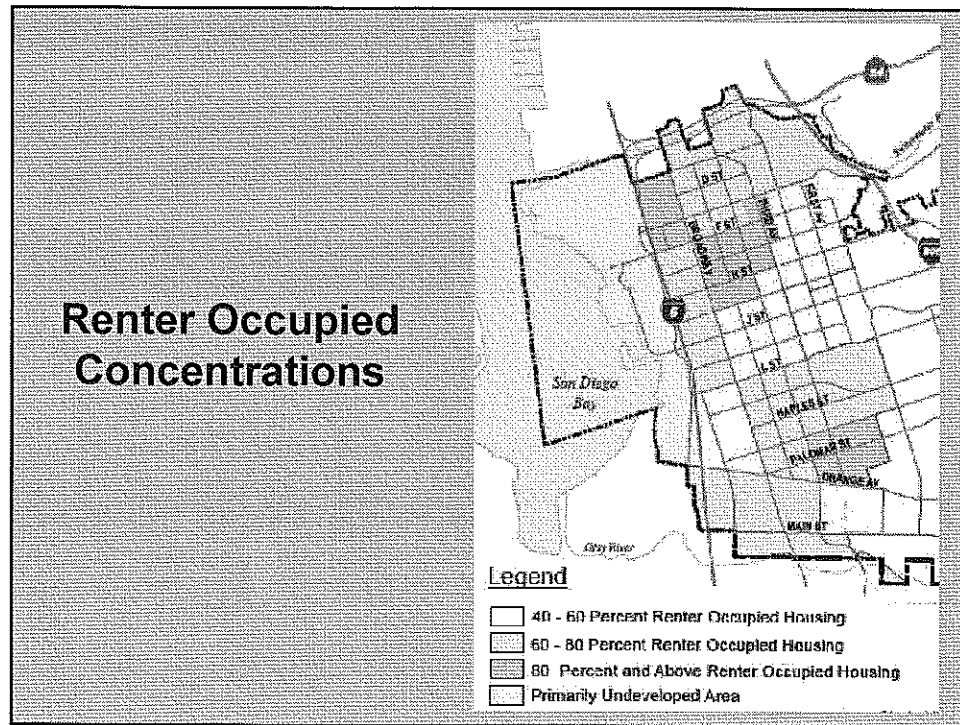
Community Housing Needs Today's Market



Bar chart showing housing tenure distribution (renter vs owner) across different income levels.

- Gap for very low & extremely low income growing
 - Renter population
 - Access to amenities & services
- Imbalance of housing tenure
 - Higher renter occupied housing in western Chula Vista











*Development Services
Department*

Inclusionary Guidelines Implementation

- Provide consistency
 - Interpretation
 - Standards
- Identify methods of compliance
 - Process for meeting requirement
 - Calculating affordable prices




*Development Services
Department*


Inclusionary Guidelines

Address Housing Needs

- **Incentivizing**
 - Provide additional credit for meeting deeper income targets
 - 2.0 unit credit for every very low income unit in lieu of a moderate income unit
 - 1.5 unit credit for every low income unit in lieu of a moderate income unit
 - 0.5 unit credit for every very low income unit in lieu of a low income unit
- **Public Benefit**
 - Allow citywide development to meet special needs




CITY OF CHULA VISTA



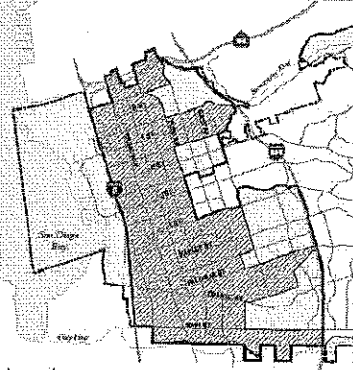
*Development Services
Department*

Inclusionary Guidelines





Address Market Issues




- **Achieving a Balanced Community**
 - Identify "Areas of Low/Mod Concentration"
 - Allow waivers of requirement
 - Identify "Primarily Undeveloped Area"
 - Allow variances of requirement
 - Require further information
 - Financial
 - Public benefit
 - Balance




Legend:

-  Area of Low / Moderate Income Concentration
-  Census Tract Below City Median Income (\$47,756), SANDAG 2010
-  Low to Moderate Boundary, U.S. Department of Housing & Urban Dev.
-  Primarily Undeveloped Area




CITY OF CHULA VISTA



*Development Services
Department*

Staff Recommendation



- Housing Advisory Commission provide an advisory recommendation to City Council supporting the Balanced Communities ("Inclusionary") Policy Guidelines in relation to:
 - Waivers for "Area of Low/Mod Concentration"
 - Variances for "Primarily Undeveloped Area"
 - Incentives for meeting underserved populations